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# **Korea, Republic of**

## **Market Development Report**

### **Korea Monthly Market Highlights - August**

### **2000**

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#### **Report Highlights:**

**This is the first of a new monthly publication summarizing Korean Agricultural Market News of interest to U.S. exporters.**

- Korean imports of U.S. Consumer Oriented Food Products on Record Pace**
- Commercial Catering Sector New but Growing Fast**
- Imports of U.S. Fruits Blossoming**
- Wine Import Market Surging**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Seoul ATO [KS2], KS

## **Korea Monthly Market Highlights - August**

### **1. Imports of U.S. Consumer Food Products Rise Sharply**

Korean imports of U.S. consumer ready food products were up nearly 62 percent in the January/July 2000 period, compared with the same timeframe last year. According to Korean Customs Service statistics, imports of these U.S. products surpassed \$654 million in the first 7 months of this year, which put sales on a record pace. The sharp increase in imports was led by U.S. beef (up over 100 percent), poultry meat, fruits, and food preparations. With the economy posting a solid 10 percent gain in the first half of the year, and forecast to cool only slightly, consumer appetites for these products will likely remain strong.

### **2. Institutional Feeding Sector: The Table is Set for Growth**

The Korean Institutional Feeding Food Service market, a \$4.3 billion business in 1999, will require an increased amount of imported food products to fuel future growth. This commercial “catering” industry has been growing 10 percent annually over the past several years, offering opportunities for U.S. suppliers willing to tailor their products for the specific buyers needs. A trend toward western style cuisines will help build interest for U.S. products. The Korean Institutional Food Service market is becoming increasingly sophisticated, as evidenced by the B2B site FOODMERCE.COM, a cooperative sourcing effort by several companies. For more information, see KS0093.

### **3. Imports of U.S. Fruits: A Productive Season**

Imports of U.S. fruits were a record \$60 million so far this year (through July), due to a surge in purchases of navel and valencia oranges. Sales of U.S. grapes and cherries have also been strong. Demand for imported fruit products is expected to remain high for the remainder of this calendar year, as Korean consumers look for both quality and variety. For more information on the fruit and vegetable market, see Report KS0089.

### **4. Koreans Developing a Taste for Wine**

Korean wine imports are enjoying a resurgence, and are on track to reach the record level of \$22.8 million set in 1997. While wines from Europe still dominate the market, younger consumers are eager to learn more about a variety of wines, including those from the U.S. A number of wine tasting schools have started recently, aimed at proliferating wine consumption. Imports of U.S. wine have nearly doubled from last years levels, and are forecast to total a record \$3.5 million this year.